

Senate Bill 22-222: Add Tax Information Table to Petitions and Ballots

Placed on the ballot by the legislature • Passes with a majority vote

1 **Proposition ? proposes amending the Colorado statutes to:**

- 2 • require that a tax information table appear on the petition and ballot for any
3 citizen-initiated measure that changes the individual income tax rate.

4 **What Your Vote Means**

YES

5 A “yes” vote on
6 Proposition ? requires that

7 a table of tax information be included on
8 petitions and ballots for any citizen-initiated
9 measure that changes the individual
10 income tax rate. The table must list the
11 average change in taxes owed for
12 taxpayers in specified income groups.

NO

A “no” vote on Proposition ? will
keep petitions and ballots in their
current format.

Summary and Analysis for Proposition ?

1 For any citizen-initiated measure that changes the state income tax rate,
2 Proposition ? requires a table of tax information to be included on the ballot and
3 on the petitions circulated to voters. The table must list the average change in
4 taxes owed for taxpayers in eight specific income groups.

5 **What is a citizen initiative and what is currently included in ballot language?**

6 The Colorado constitution and state law create a process for citizens to initiate
7 and adopt laws by popular vote. To place a measure on the statewide ballot,
8 proponents must collect a certain number of valid signatures from registered
9 voters across the state on a petition. Under current law, petitions include the
10 ballot language and a summary of the fiscal impact of the measure.

11 A number of additional requirements exist for citizen-initiated measures that
12 affect government revenue. For example, the constitution requires that the ballot
13 language for measures that increase taxes begin with the language, “Shall taxes
14 be increased...” and include an estimate of the revenue generated if the measure
15 passes. State law requires that ballot language for measures that decrease state
16 revenue include language listing the three largest areas of government programs
17 impacted by the revenue reduction, and the estimated decrease in tax revenue.

18 **How does Proposition ? change the ballot language for citizen-initiated** 19 **measures?**

20 For any measure that increases or decreases the income tax rate, Proposition ?
21 requires that a tax information table be included in the measure’s ballot
22 language. The ballot language, including the tax information table, must also
23 appear on the petitions that proponents use to collect signatures. If a measure
24 receives sufficient signatures and qualifies for the ballot, the tax information table
25 must appear on the printed ballot that appears before voters at an election. The
26 tax information table in the ballot language must show:

- 27 • eight taxpayer income categories, specified by the measure;
- 28 • the average income tax owed in each category under current law;
- 29 • the average income tax paid in each category; and
- 30 • the difference between average tax owed before and after the rate
31 change.

32 An example of the proposed tax information table is shown as Table 1.

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Table 1
Tax Information Table Required under Proposition ?

| Income categories* | Current average income tax owed | Proposed average income tax owed | Proposed change in average income tax owed if passed + or - |
|---------------------------|--|---|--|
| \$25,000 or less | | | |
| \$25,001- \$50,000 | | | |
| \$50,001-\$100,000 | | | |
| \$100,001-\$200,000 | | | |
| \$200,001-\$500,000 | | | |
| \$500,001-\$1,000,000 | | | |
| \$1,000,001-\$2,00,000 | | | |
| \$2,000,001-\$5,000,000 | | | |

*Based on Federal Adjusted Gross Income reported to the Federal Internal Revenue Service.

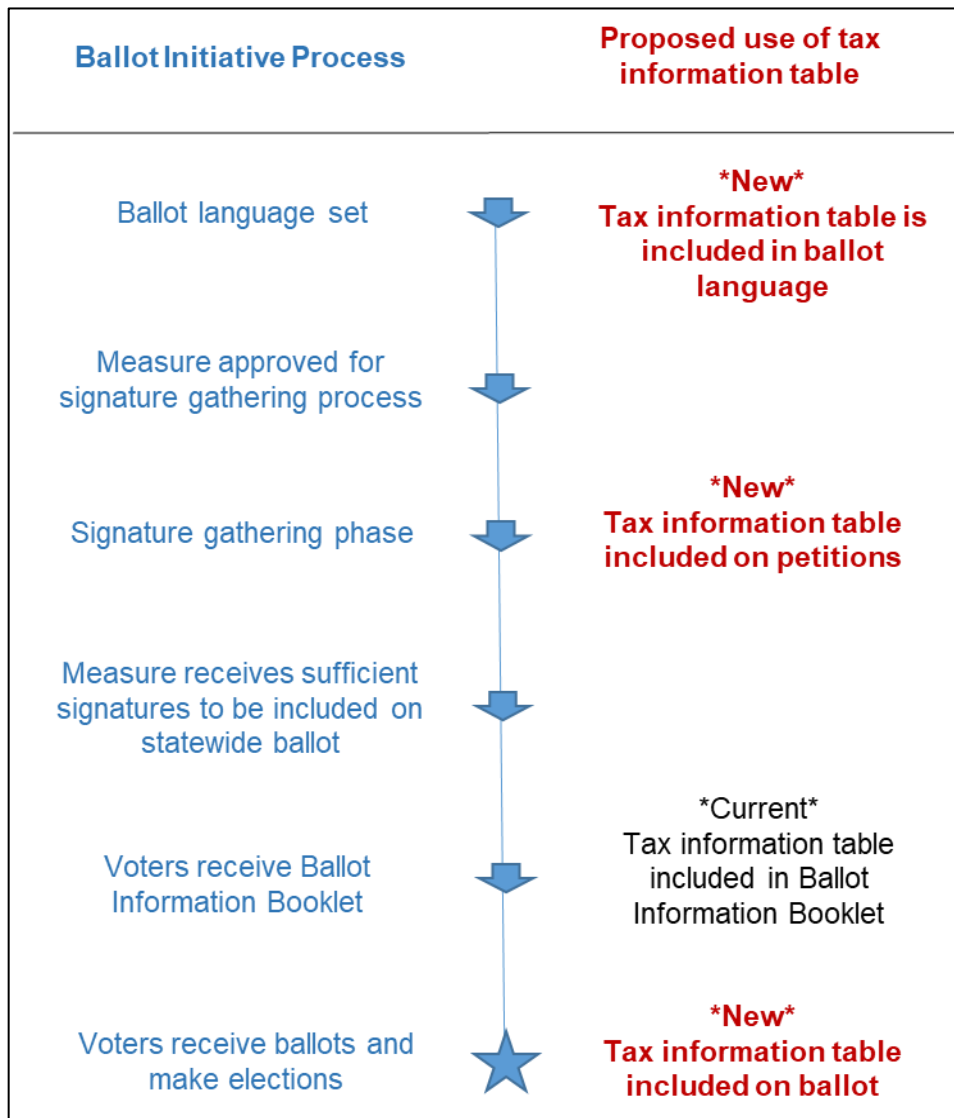
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What other information is currently provided to voters about tax changes?

Under current law, a tax information table identifying the average change in taxes paid by taxpayers in different income groups must appear in this statewide ballot information booklet for any measure that increases or decreases individual income tax revenue, or state sales tax revenue. The tax information table in the ballot information booklet, which contains minor differences from the table called for in Proposition ?, is prepared after the measure has qualified for the election. You can see an example of this table in the analysis for the Healthy School Meals on page ? of this booklet. A comparison of when the tax information table is required under current law compared with Proposition ? is shown in Figure 1.

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Figure 1
Proposed Use of Tax Information Table Under Proposition ?



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In addition, state law requires that a brief fiscal summary be prepared for all citizen-initiated measures, which estimates tax revenue to the state, among other fiscal impacts. This fiscal summary must be included on the petitions proponents use to collect signatures. Once proponents begin collecting signatures, a more detailed fiscal analysis is prepared for the measure that is posted online. This fiscal analysis is updated as necessary and republished online before the election. An abstract of the most recent analysis for this measure is included in this Ballot Information Booklet.

For information on those issue committees that support or oppose the measures on the ballot at the November 8, 2022, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html>

1 **Argument For Proposition ?**

- 2 1) Proposition ? allows voters to easily see the impact of income tax rate
3 changes on individuals of different income groups when signing a petition and
4 casting a vote. Voters are presented the information at the moment that they
5 are making their decision about a measure and do not need to seek out
6 additional information to understand how the measure will affect the taxes
7 owed by someone at or near their income level.

8 **Argument Against Proposition ?**

- 9 1) Proposition ? adds unnecessary complexity to statewide printed ballots and is
10 duplicative of information that is already provided to voters in the ballot
11 information booklet. The ballot will become even longer and more
12 complicated than it is now, especially in years when there are multiple tax
13 measures.

14 **Fiscal Impact for Proposition ?**

- 15 [The fiscal impact will be included in the second draft of this ballot analysis.]